



Please make sure you have your handout so you can follow along.



# Who is MedAmerica?

- A recognized industry leader dedicated to providing long-term care insurance coverage since 1987.
- Won the State of Tennessee competitive bid process to provide the group long-term care insurance plan for state and higher education employees in 2003
- Selected as the carrier to expand the group program to local education and government employees, retirees and their eligible family members in 2012



# The Basic Information



- What is long-term care?
- How do you get a claim paid?
- Who is eligible?
- What are the benefits?
- Sample premiums
- How do I enroll?



# Why Do People Need Long-Term Care?\*

\* Being expected to need help for at least 90 days with at least two of our daily activities like bathing, dressing, and transferring from one place to another

- Disabling Accident
- Illness
- Stroke
- Cognitive Impairment
- Advanced Age

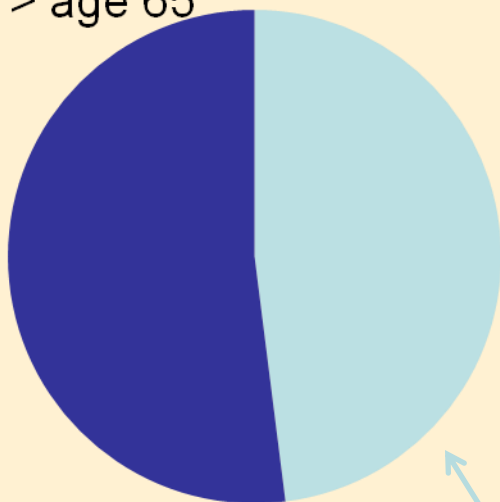




# How Old Are People Who Need Long-Term Care?\*

■ < age 65

■ > age 65



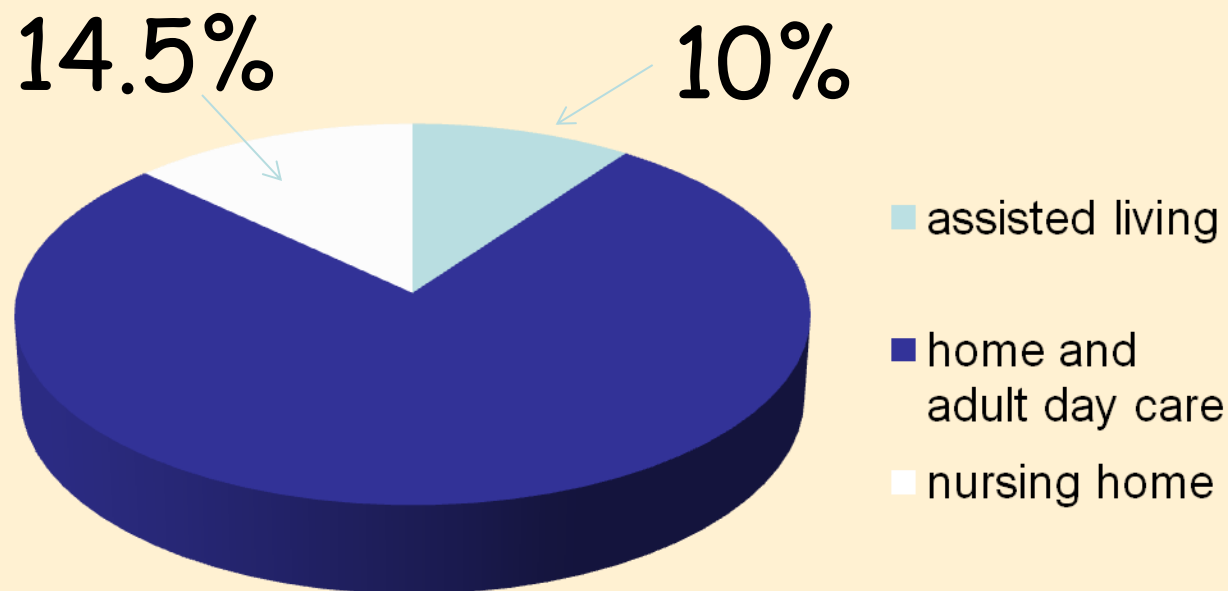
- Vehicle/sporting accidents
- Brain tumor
- Lou Gehrig's (ALS)
- Early Parkinson's/Alzheimer's

Almost half of Americans who need long-term care are < age 65.\*

\* Kaye, et al. *Health Affairs* 29:1, January 2010



# Where Do People Receive Long-Term Care?



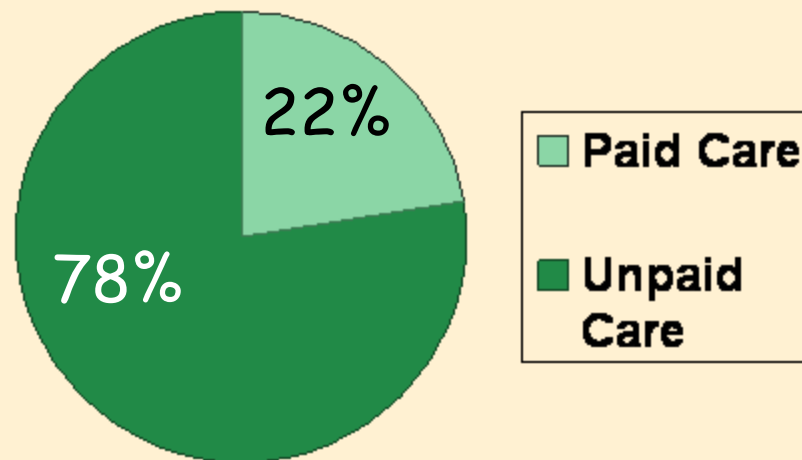
Less than 15% of LTC patients are cared for in a nursing home.\*

\* Kaye, et al. *Health Affairs* 29:1, January 2010;  
AHCA/NCAL January 2011



# Who Provides Most Long-Term Care?

- Families provide most care at home\*
- Caregivers
  - sometimes have to go part-time or quit work just when income is needed most
  - get sick from not getting enough rest
  - have problems with siblings over who is going to provide care



None of us want  
this for our  
family.



# What Does Long-Term Care Cost in Tennessee?\*

- Home Care:\$18/hr

- Assisted Living \$100/day

*Cost of care  
can range  
from  
\$3000  
to  
\$6000  
a month*



*Costs are  
expected to  
triple in 20  
years if  
historical  
growth  
continues!*

- Semi-private Nursing Facility \$175/day
- Private Room Nursing Facility \$200/day

- Adult Day Care \$60/day

\* Agency on Healthcare Research and Quality, 2001 (historical trends); LTCI Insurance Carrier Cost of Care Surveys, 2011 (current cost)





# Who Pays for Long-Term Care?

- *Not Health Insurance*
- *Not Medicare*
- *Not Medicare Advantage*
- *Not Medicare Supplements*
- *Not Disability Income*

## Some Facts About Social Security \*

About Social Security and Medicare...

Social Security pays retirement, disability, family and survivors benefits. Medicare, a separate program run by the Centers for Medicare & Medicaid Services, helps pay for inpatient hospital care, nursing care, doctors' fees, drugs, and other medical services and supplies to people age 65 and older, as well as to people who have been receiving Social Security disability benefits for two years or more. Medicare does not pay for long-term care, so you may want to consider options for private insurance. Your Social Security covered earnings qualify you for both programs. For more information about Medicare, visit [www.medicare.gov](http://www.medicare.gov) or call 1-800-633-4227 (TTY 1-877-486-2048 if you are deaf or hard of hearing).

\*As printed in the Social Security Annual Benefit Statement

See p. 29 of your handout



# Who Pays for Long-Term Care?

- *Medicaid (TennCare)*
  - Spend down assets to \$2,000
  - Spouse keeps half up to \$119,220 max
  - Families can't probate a will without a letter of release from TennCare that no money is owed to pay the state back for LTC
  - Fewer options for care

See p. 28 of your handout



# Protect Your Assets with the Tennessee Long-Term Care Partnership



This is not the State Group Health Insurance PPO Partnership Program.

- Protects assets equal to benefits paid by LTC-TN if you need to turn to the state for help provided you:
  - Bought the optional inflation benefit\*; and
  - Meet the functional or cognitive requirements for Medicaid (TennCare in Tennessee) to pay long-term care benefits

\* Not required for applicants age 76 and over





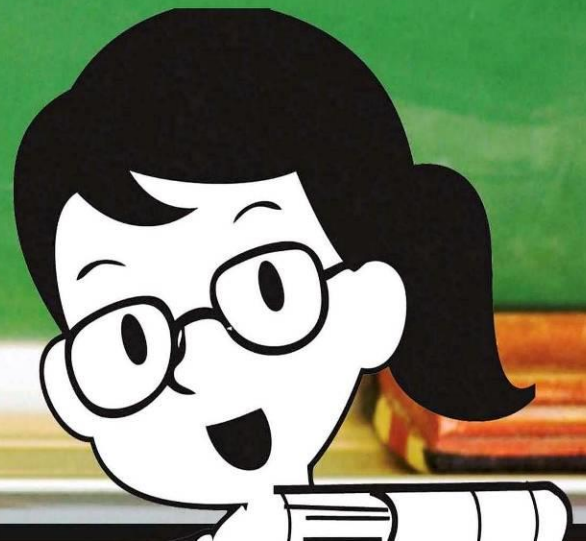
# LTC-TN is LIFESTYLE INSURANCE ...

... so you can take care of your loved one without giving up your plans and dreams





# The ABC's of Long Term Care Insurance





# How Does Long-Term Care Insurance Work?

## How Do You Get a Claim Paid?

*You must be expected to need help for at least 90 days with at least two Activities of Daily Living:*



bathing



dressing



transferring



toileting



continence



eating

or Severe Cognitive Impairment



# Who is Eligible?\*

- Actively at work employees who meet qualifications outlined in Attachment A (see LTC-TN worksheet)
- Retirees drawing a TCRS or Optional Retirement Plan benefit
- Eligible family members
  - Spouse, dependent child 18-26, parent, parent-in-law, dependent survivor

See pp. 19-20 of your handout

\*Includes board members and elected officials in certain situations - see Attachment A in the LTC-TN worksheet for a full description of eligibility





# One-Time Opportunity for New Hires

Newly hired  
Active Employees  
are Guaranteed  
Acceptance for  
90-Days Following  
Date of Hire

Medical underwriting application available  
outside of the New Hire Enrollment  
Period.







# How Does Everyone Else Qualify?

- Employees applying outside the guaranteed acceptance period, retirees, spouses, parents, parents-in-law and dependent children 18-26 may apply with full medical underwriting.\*
  - Tele-underwriting call
  - Medical records
  - Possibly a face-to-face interview

There is no fee for the medical underwriting application.

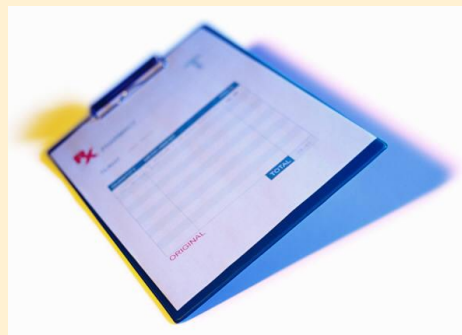
\*Eligible family members can live anywhere in the United States; they do not have to live in Tennessee to purchase coverage.



# A Little More about Underwriting

Q. What conditions are not eligible for coverage?

A. Progressive conditions like Alzheimer's, Parkinson's, ALS, MS or diabetes with complications or weight-challenged individuals



If you aren't sure if you might be able to qualify, request a pre-qualification. You have nothing to lose and everything to gain.



# More Good News on Eligibility . . .

- Eligible dependents can apply even if the employee/retiree they are related to does not
- Minimum age 18 - No maximum age\*
- Each person applies individually

\*Except dependent children must apply by age 26 and may keep the coverage permanently



# How Does Long-Term Care Insurance Work?

## LTC-TN Has Only Three Decisions

### Decision 1: DAILY BENEFIT

Which amount is right for you?

#### Nursing Facility/ALF

\$200

\$150

\$100

#### Home Care/Adult Day Care

\$120

\$ 90

\$ 60

See p. 22 of your handout





# How Does Long-Term Care Insurance Work?



## LTC-TN Has Only Three Decisions

### Decision 2: BENEFIT PERIOD

Used to determine your "benefit maximum"

You can select from 2 options:

- ☒ 1095 days (3 years)
- ☒ 1825 days (5 years)



# How Does Long-Term Care Insurance Work?

## Lifetime Benefit Maximum

High end:  $\$200 \times 1,825 \text{ days (5 years)} = \$365,000$

Low end:  $\$100 \times 1,095 \text{ days (3 years)} = \$109,500$

You have this amount to use for covered LTC services which will grow with inflation coverage.



# How Does Long-Term Care Insurance Work?

## LTC-TN Has Only Three Decisions

### Decision 3: Inflation or Non-Inflation Coverage

With inflation protection, benefits increase 5% compounded annually for life (This option is required to qualify for the Tennessee Long-Term Care Partnership's asset protection if you are under age 76)

### Remember,

Costs are expected to triple in 20 years





# How Does Long-Term Care Insurance Work?

## Waiver of Premium

Your premium stops during a claim. Your benefits continue to grow with inflation protection.







# How Much Does Long-Term Care Insurance Cost?

## SAMPLE MONTHLY PREMIUMS - 3 Year Benefit Period

No Inflation - Benefits Never Grow  
(does not include 10% spouse discount)

Age	<u>\$100</u>	<u>\$150</u>	<u>\$200</u>
35	\$ 7.67	\$ 11.49	\$ 15.33
45	\$ 15.74	\$ 23.61	\$ 31.47
55	\$ 32.68	\$ 49.04	\$ 65.38
65	\$ 73.46	\$110.19	\$146.91



# How Much Does Long-Term Care Insurance Cost?

## SAMPLE MONTHLY PREMIUMS - 3 Year Benefit Period

5% Compound Inflation - Qualifies for TN Partnership  
(does not include 10% spouse discount)

Age	<u>\$100</u>	<u>\$150</u>	<u>\$200</u>
35	\$ 43.13	\$ 64.70	\$ 86.27
45	\$ 64.75	\$ 97.14	\$129.52
55	\$ 99.48	\$149.21	\$198.95
65	\$164.32	\$246.48	\$328.64



# Quick Payback



## Premium

$$\begin{array}{r} \$89.53 \\ \times 12 \\ \hline \$1,074 \\ \times 30 \\ \hline \$32,230 \end{array}$$

## Benefit in 30 Years

$$\begin{array}{l} \$400 \text{ per day} \times 1,095 \text{ days} \\ = \\ \$438,000 \text{ benefit pool} \end{array}$$

$$\begin{array}{l} \text{Payback} = < 3 \text{ months} \\ (\$32,230 \div \$400 = 80 \text{ days}) \end{array}$$

**Age 55 with 10% spouse discount: \$100 Daily Benefit;  
3 year Benefit Period; 5% compound inflation for life**



# How Does Long-Term Care Insurance Work?

## Payment Methods

- Payroll Deduction - Employee, Spouse & Dependent Child
  - Bank draft
  - Credit Card
- Direct Paper Bill

Monthly, Quarterly, Semi-Annually, Annually (8% discount)





# How Does Long-Term Care Insurance Work?



Guaranteed Renewable

Policy can't be cancelled as long as you pay your premium in a timely manner





# How Do Employees Enroll in LTC-TN?

- Website ([www.LTC-TN.com](http://www.LTC-TN.com))
  - Rate calculator and electronic signature
  - Employees must fax payroll deduction authorization form for spouse in your handout to 615-590-0307
- Request an enrollment kit with a paper application from your agency benefit coordinator, or e-mail [info@ltcconsultants.com](mailto:info@ltcconsultants.com)
- Each person completes an application
- Eligible family members can live anywhere in the United States to apply for coverage

See p. 24 of your handout



# What if Employees Have Questions or Need Help?

Easy! Anyone can reserve a personal tele-consultation with a non-commissioned licensed insurance agent:

[www.gotltci.com/ltciconsultations/LTC-TN](http://www.gotltci.com/ltciconsultations/LTC-TN)

See p. 16 of your handout

Spouse and family members are welcome to be on the call!

# Long-Term Care: Is *Your* Family Protected?



Don't forget to educate new hires not to miss  
the one-time opportunity for guaranteed  
acceptance with  
**NO HEALTH QUESTIONS!**







# Re-Educate Your Employees About LTC-TN

To conduct a Re-Education Campaign for  
your agency, please contact:

Pennye Smith  
*LTC Consultants*  
[pennye@ltcconsultants.com](mailto:pennye@ltcconsultants.com)  
888-400-1118 phone  
615-590-0307 fax